(c) and (d) Government of India has constituted a task force to evolve a mechanism to protect the growers of spices from the adverse effect of price fluctuations under the Chairmanship of Shri N. Rangachari, former Chairman CBDT and IRDA.

Investments by Indian business abroad

†712. SHRI PYARELAL KHANDELWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Indian businessmen/industrialists are investing abroad, instead of investing in Indian industries;

(b) whether Indian companies are lagging far behind in the matter of investments in Indian projects, in comparison to other countries;

(c) if so, whether Government are aware of this phenomenon; and

(d) if so, what are the details thereof and what necessary steps are being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) As per information available, Industrial Entrepreneur Memorandum (lEMs) reflects investment of Rs. 353956 crores in 2005 as against FDI outflow of US $ 2681 million during 2005-06.

(c) and (d) Do not arise.

Economic Partnership Agreement with Japan

713. SHRI T.S. BAJWA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to enter into an Economic Partnership Agreement with Japan, on thelines of agreements signed with Mauritius and Singapore; and

(b) if so, by when the agreement would be finalized and its likely benefits to the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Following

† Original notice of the question was received in Hindi.

recommendations of India-Japan Joint Study Group in its report submitted to the Prime Ministers of India and Japan in July, 2006, the Trade and Economic Relation Committee (TERC) has approved the proposal to negotiate and Economic Partnership Agreement (EPA)/Comprehensive Economic Partnership Agreement (CERA) with Japan. The process of negotiations is expected to take two years from its launch. An EPA/CEPA when concluded is expected to result in manifold benefits, including those flowing from increased trade and investment between the two countries.

FOI in Andhra Pradesh

714. SHRI M.V. MYSURA REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the State-wise details of Foreign Direct Investment permitted by Government, for industrialisation in the country, during the last three years;

(b) whether Government have formulated any scheme to promote/permit more Foreign Direct Investment in Andhra Pradesh, in comparison to other States;

(c) if so, the details thereof; and

(d) if not, what other steps are being taken by Government to promote industrialisation in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) A Statement showing Foreign Direct Investment (FDI) approvals during the period 2003-04 to 2005-06 is enclosed. *(See* below).

(b) to (d) Government of India has put in place a liberal and investor-friendly policy of Foreign Direct Investment (FDI) under which FDI up to 100% is permitted on the automatic route in most sectors/activities into the country and there is not State specific dispensation provided in the Policy. However, in addition, State Governments have put together their own incentive packages to attract investment. A liberal FDI policy framework is one of the enabling factors for ensuring FDI inflows-, though,^nder the liberalized economic environment, investment decisions of investors are based on techno-economic and commercial considerations.